

BARRICK

BARRICK RESOURCES (USA), INC.

August 15, 1991

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MINERALS PROGRAM
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DIVISION OF
OIL GAS & MINING

Mr. Don A. Ostler, P.E.
Executive Secretary
Utah Water Quality Board
P.O. Box 16690
Salt Lake City, Utah 84116-0690

Dear Don:

SUBJECT: Stipulation and Consent Order, Dump Leach No. 2 Notice
of Violation and Order, Docket No. GW90-03

Barrick Mercur Gold Mine is in receipt of your letter of July 29, 1991 and the attached draft Stipulation and Consent Order. We agree with the State that setting a firm, clear-cut and reasonable deadline for cessation of active leaching and closure of Dump No. 2 is the preferable approach. As noted below in our specific comments, we are requesting a deadline of July 31, 1992 and will agree to stipulated penalties triggered by that date.

For the most part, the draft Stipulation and Consent Order is acceptable to Barrick, with a few changes. Listed below are our comments and requests for revisions to the language:

Stipulation

Paragraph 7: We request that a second sentence be added to this paragraph to clarify: "The closest drinking water source is approximately five miles down gradient from the Dump Leach Area 2 facility."

Paragraph 12: It is our understanding that the Notice of Violation was issued by you as Executive Secretary and that the issue has not yet been heard before the Water Quality Board itself. If our understanding is correct, we ask that this paragraph be revised accordingly.

Order

Paragraph 1: Barrick proposes that the first two sentences be rewritten as follows to accurately reflect current reporting requirements: "Barrick will continue groundwater quality monitoring of existing monitoring well MW-9 at Dump Leach No. 2 on a monthly basis until the Executive Secretary can determine back-

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ground water quality conditions. Thereafter, this well will be monitored for groundwater quality on a quarterly basis similarly to existing wells MW-5 and MW-7 until further notice by the Executive Secretary."

Paragraph 2: Barrick proposes to cease active leaching of Dump Leach No. 2 on or before July 31, 1992 unless by January 31, 1992 gold recovery data suggests economic viability of applying for a groundwater permit and continuing operation pursuant to such a permit. In that event, Barrick will cease leaching of Dump Leach No. 2 during the pendency of the application. Accordingly, we request that Paragraph 2 be revised as follows: "Barrick shall cease active leaching of Dump Leach No. 2 on or before July 31, 1992, with the stipulation that Barrick shall determine the feasibility of pursuing a groundwater discharge permit and, if determined to be appropriate, apply for said permit no later than January 31, 1992. Such an application will require temporary cessation of cyanide leaching until such time as a Groundwater Discharge permit is secured from the Executive Secretary."

Paragraph 3: Barrick proposes to commence neutralization procedures on or before August 3, 1992. Barrick will submit on or before October 1, 1991 the detailed neutralization work plan and compliance schedule as called for in this paragraph.

Paragraph 5: Barrick will submit on or before July 1, 1992 the detailed plan and compliance schedule for post-closure monitoring. While we are proposing to meet the earlier dates for the work plans for neutralization and closure, we seek this later date for the post-closure monitoring plan so that it will reflect the current conditions at the time of the closure.

Paragraph 6: Barrick requests that the phrase "and Neutralization" be deleted from the first stipulated penalty. We are unaware of any required neutralization reports and believe the penalty should apply for failure to submit required monitoring reports only.

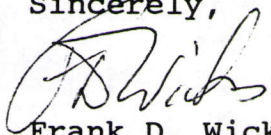
Barrick also requests deletion of the penalty for "Deficiency Responses to any of the above." This provision, without further explanation, is too broad and ambiguous. Based on our past experiences, Barrick cannot, for example, agree to a stipulated penalty for disagreements about the completeness of proposed work plans and compliance schedules. We believe this provision is unnecessary given the specificity of the individual penalties otherwise detailed.

We are submitting this letter to comply with your request for written comments within two weeks of the July 29, 1991 letter. We

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acknowledge a scheduled meeting in your office on August 22, 1991 at 10:00 a.m. to further discuss the language. We appreciate your willingness to meet with us at that time. We trust that an acceptable Stipulation and Consent Order can be executed shortly thereafter.

Sincerely,



Frank D. Wicks
Vice President and General Manager

FDW/cg

cc: A. R. Hill
J. W. Lill
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